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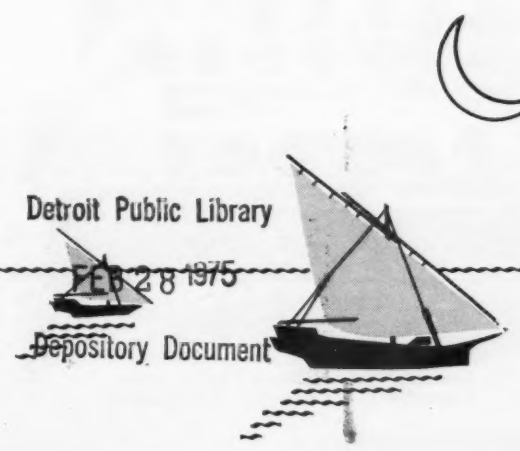
# COMMANDERS DIGEST

VOL. 16, NO. 11/SEPTEMBER 12, 1974

DoD security relationships with

# Persian Gulf States



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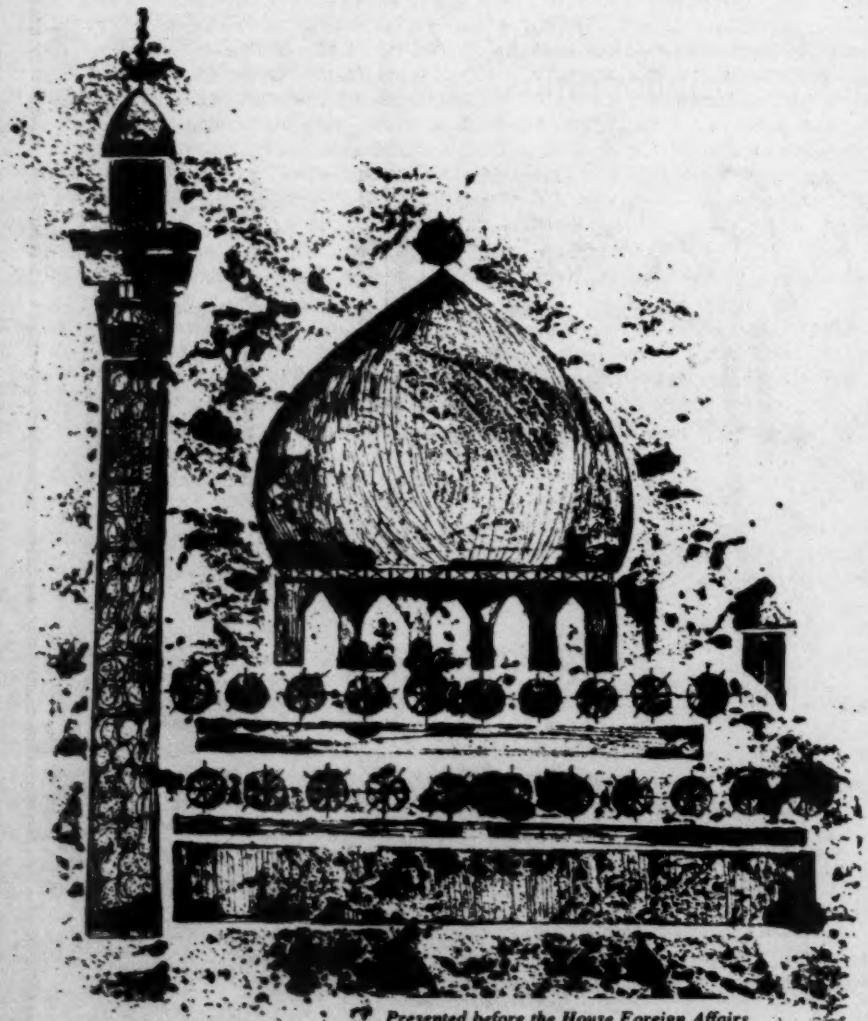


*Presented before the House Foreign Affairs Committee (Near East and South Asia) July 30.*

The security relationship between the United States and the Nations of the Persian Gulf area is not a new development nor is it a hasty or improvised response to the energy crisis or other recent events. On the contrary, our security relationships with Saudi Arabia and Iran go back to the days of World War II. A military mission was first sent to Saudi Arabia in1943 to determine Saudi requirements for military equipment and training, and a United States advisory mission was first established in Iran in the same year. The great bulk of those defense items which have been sold to, or which are being considered for purchase by, the Persian Gulf States represent decisions which were made as much as a year ago or longer. These decisions are not merely a knee jerk response to recent events in the Middle East.

Secondly, I must stress the complex nature of decision-making in the field of arms sales. In any decision to sell or not to sell a particular item of military equipment, different variables must be taken into account. At a minimum, these include recognition of expressed desires of another sovereign state, an evaluation of the defense needs of that state, the economic impact of the purchase on that state, the overall relationship between the United States and the nation in question, and the anticipated reaction of other states. All of these factors and others must be combined in a judgment of what would best serve the long term national interests of the United States.

These factors — which are frequently contradictory — cannot be reduced to a simple formula which will apply in every case or which will insure infallibility. On the contrary, differences of opinion are probably inevitable, and a lively debate is more the rule than the

exception. The point I would like to make here is that these decisions are not made by some routine process of conditioned response but are subject to continued evaluation and discussion.

Finally, I would like to note that our arms sales programs are not the "be all" and "end all" of United States policy in the Middle East or any other area. This fact is obvious, but it frequently tends to be obscured or forgotten. The United States now has resident ambassadors in seven different independent nations in the Persian Gulf area. In most cases, only a small part of their activity is related to arms sales. Our relationship with the Persian Gulf nations ranges over a wide variety of issues and mutual concerns, from telecommunications to fishing and from commercial ventures to cultural exchanges. The security aspects of our relationship with these nations is obviously very important in certain cases, but it cannot be divorced from the broader context of our political, economic and commercial relationship. Our policy should not be judged on the basis of security policy alone.

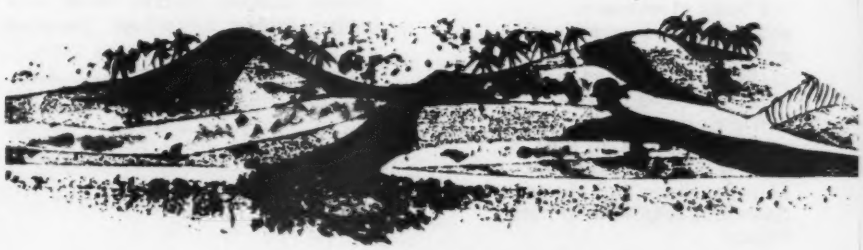
Now, if I may, I would like to discuss specifically the individual countries of the Gulf States as they relate to Foreign Military Sales.

## Saudi Arabia

Our programs in Saudi Arabia cover a fairly broad range. The Saudis have bought F-5 fighters to replace older aircraft, and in response to their request, we have suggested the Saudis give consideration to the purchase of advanced fighter aircraft as a follow on to the British Lightning. Since early 1972, we have been assisting the Saudis to expand their small navy by the proposed addition of about 20 small ships, construction of shore installations, and training. We are also helping them modernize the Saudi National Guard (an internal security force). American companies are continuing

# Exploring DoD security relationships with Persian Gulf States

By
Richard R. Violette
Defense Security Assistance Agency



**RICHARD R. VIOLETTE,** 49, a native of Van Buren, Maine, was appointed Director, Sales Negotiations, Defense Security Agency, on July 21, 1974. Prior to that he served for the past eight years in the Office, Assistant Secretary of Defense (International Security Affairs), which oversees the entire Military Assistance Program, including military sales.

A long-time civil servant — since 1942 at Presque Isle Army Air Force Base, Maine — Mr. Violette has spent most of his career with the Air Force in the fields of weapons production and logistics. He was senior civilian logistics plans officer at Headquarters, U.S. Air Forces Europe (USAFE) from 1956 to 1964.

He also served, in 1964, as Deputy to the Assistant for Logistics Plans, U.S. European Command (EUCOM) in Paris, France.

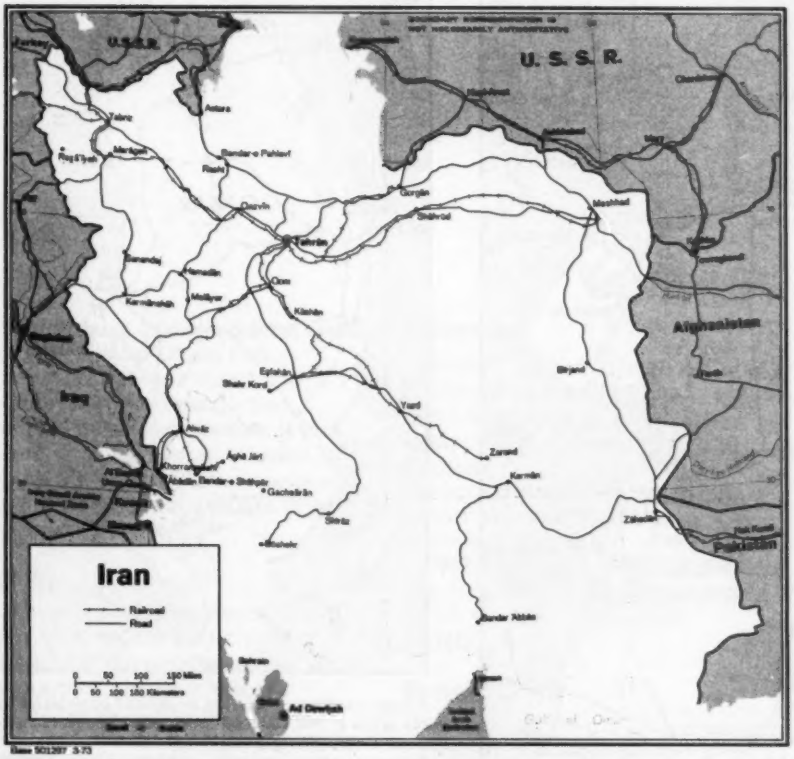
to assist in improving Saudi Arabia's air defense capabilities, and in addition, since 1966 we have been assisting the Saudi Army in its mobility modernization program.

A United States Military Training Mission (USMTM) of approximately 125 military personnel in Saudi Arabia administers and supervises our programs of military cooperation. The United States Government also provides, through the U.S. Army Corps of Engineers, engineering and construction management services for design, contracting, and construction of certain facilities for the Saudi military forces. At present, there are approximately 100 Corps of Engineer civilian and military personnel in Saudi Arabia. There are also 30 U.S. Air Force civilian and uniformed personnel in-country in connection with the F-5 program.

## Iran

Iran is the largest purchaser of defense equipment from the United States Government (USG) under the Foreign Military Sales Act.

The United States provided Iran $835 million in military grant aid from FY 1950 to FY 1972. From FY 1965 through FY 1974 the United States also sold Iran about $7.3 billion in defense articles and defense services. Iran continues to modernize its armed forces on a long-term basis in order to meet its defense requirements well into the 1980s. For FY 1974 the Iranians placed orders with the USG for




approximately $3.5 billion in an effort to meet this long-range requirement. The United States maintains a Military Assistance Advisory Group (MAAG) of 200 persons to supervise and administer these programs.

Iran's military requirements are based on Iran's concern for the security of its northern border with the U.S.S.R. and its western border with Iraq. Although relations with the U.S.S.R. are cordial, Iran feels it must, on a contingency basis, consider how it would defend itself in the event of a global or local conflict. Iran also feels it must be prepared to deter any agression from Iraq and, if deterrence fails, defend its air space and territory.

## Kuwait

Kuwait became eligible for sales under the Foreign Military Sales Act on January 17, 1971. At the request of the Kuwaiti government, we have sent several small military teams to Kuwait to study their defense requirements and make suitable recommendations on their modernization efforts. In July 1973 the Kuwaiti Parliament authorized an expenditure of $1.4 billion to be spent for this modernization over a seven year period. It now appears that the equipment portion of this sum will be divided among United States, British and French equipment. From all indications it appears the Kuwaitis are being very selective in their choice of equipment to insure a force structure which meets their requirements and at the same time maintains the political balance they desire.

To date, Kuwait has signed contracts with the USG for approximately $30 million covering trucks, jeeps, engineering equipment, trailers, English language training for 100 cadets and pilot training. On the commercial side, the Kuwaitis have signed a contract with ITT for two radars and have indicated an interest in sophisticated air defense systems.

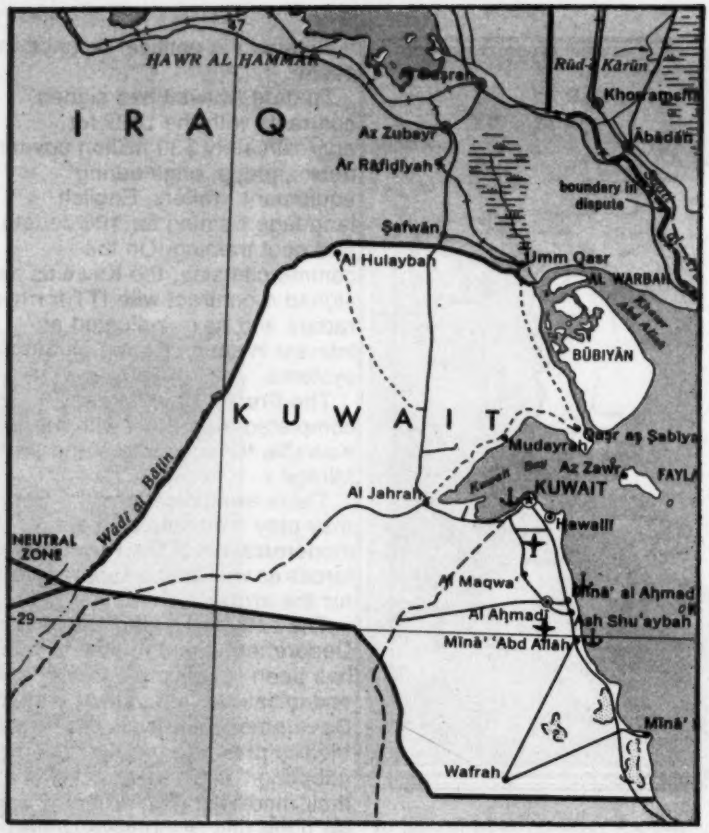
The French have already completed a contract with the Kuwaitis for helicopters and the Mirage F-1 aircraft.

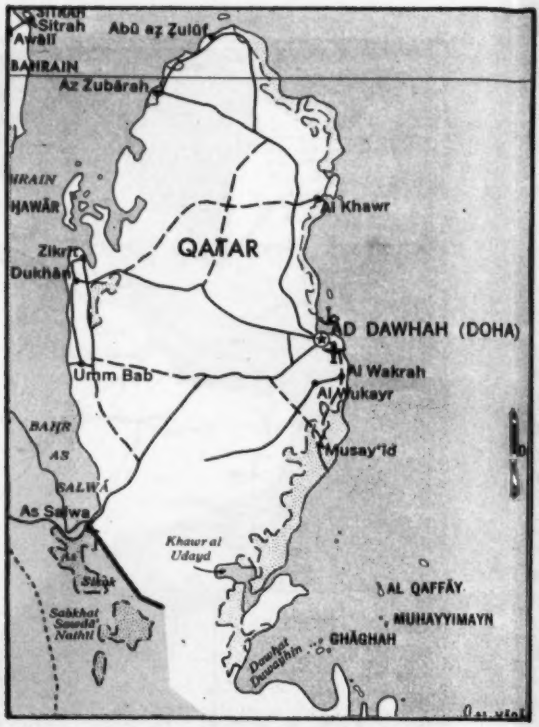
There are indications the British may play a dominant role in modernization of the Kuwait naval forces as well as the supply of tanks for the army.

The activities of the Defense Department over the past two years has been in response to requests and initiatives generated by the Government of Kuwait. We have not tried to pressure the Kuwaitis into adopting United States systems for their modernization program, and we hope this responsive United States posture is generating a trust and respect among the Kuwaitis.

## Qatar

Qatar became eligible for Foreign Military Sales (FMS) in January 1973. However, no FMS sales have been consummated with Qatar and no inquiries for price and availability data or other information have been received.




*Except as shown, there are no defined boundaries appearing on the maps in this issue of Commanders Digest among the United Arab Emirates nor between them and Saudi Arabia or Oman. Names or other boundary representation are not necessarily authoritative.*

In February 1974, Qatar requested a price quotation covering a commercial sale of 400 military trucks. However, no decision on this purchase has been forthcoming, to date.

## United Arab Emirates (UAE)

The UAE is a federate state consisting of the sheikdoms of Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Qaiwain, Fujairah and Ras Al Khaimah.

In January 1973, the UAE became eligible for Foreign Military Sales. To date, however, no government-to-government FMS sales have been concluded. Commercial sales activities and inquiries with respect to Dubai and Abu Dhabi are summarized below.

There have been no sales activities with the other states of the UAE.

### Dubai

In January 1972, Bell Helicopter Co. sold two jet ranger helicopters to Dubai on a commercial basis.

Early in 1974 Bell sold one model 206B and two model 205 helicopters, also on a commercial basis.

### Abu Dhabi

Lockheed Aircraft Corp. sold two C-130s in August 1973 on a commercial basis. Abu Dhabi is currently considering a proposal for two additional C-130s.

With respect to major third country purchases, Abu Dhabi has purchased fighter aircraft and helicopters from France and armored cars from Jordan. It has recently expressed an interest in buying 30 United States-licensed armored personnel carriers from Italy.

## Oman

Oman is currently involved in a guerrilla rebellion in the Dhofar Province in the southwest corner of the country. Oman's military requirements in this conflict have been met almost exclusively by the British, and from other regional sources.

Oman became eligible for Foreign Military Sales in January 1973.

On occasion over the past two years, the Government of Oman has expressed interest in a number of military items such as armored cars, artillery, grenade launchers, communications equipment and mines. To date, however, no government-to-government sales have been concluded, although several items have been purchased through commercial channels. Oman's first request for a formal FMS Letter of Offer is now being processed. This is a minor case, covering 2,000 firing devices for demolition work.

Oman has five 205 A-1 helicopters on order from Bell, and, in addition, is negotiating for five 214B helicopters. It has also ordered seven AB-205 and five 205 A-1 helicopters from Agusta Bell of Italy.

## Bahrain

In 1972 we sent a team to Bahrain to conduct a coastal security survey at its request. The report was submitted to the Bahrainis in February 1973. Most of the equipment recommended in that report was obtainable from commercial sources.

While Bahrain became eligible for Foreign Military Sales in January 1973, no sales have been concluded to date.

## Procedures

I would next like to give you some information on the method of operations of our sales program.

First, some general comments with regard to the sales program. Although our ultimate goal is a world entirely free of the burdens of armaments, the United States recognizes a continuing need for international defense cooperation to maintain peace and security. Thus, consistent with its foreign policy interests, and with due regard for impacts on social and economic development and on arms races, the United States will from time to time enter into arrangements with friendly foreign countries for the sale of defense articles and services needed by such countries to equip and operate their military forces.

All of our sales are made under the provisions of the Foreign Military Sales Act, as amended. This act spells out the general policies, procedures, and constraints under which the FMS program must operate. Since the inception of the program, many additional policies and procedures have had to be developed and implemented, and many refinements to the program have evolved over the years. For example, stringent controls have been established to assure that we keep closely abreast of all issues relating to the foreign sales

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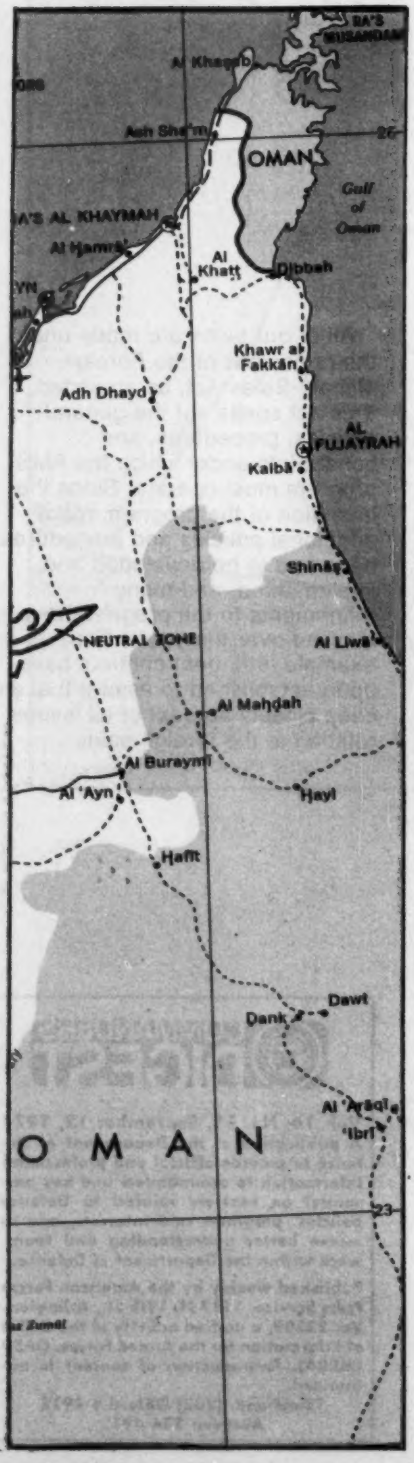



program. All sales are made with the specific approval of the Department of State and detailed reporting requirements to the Congress have been established and formalized.

Prior to any Foreign Military Sales activity, the eligibility of any foreign country to purchase items under this authority is determined by the President. At the present time some 91 countries are eligible. The major criteria used in such determination relates to United States foreign policy and defense security considerations vis-a-vis the specific country involved. Stated another way, "Would FMS to that country strengthen the security of the United States and promote world peace?"

After this general authority has been given, there are many other factors which must be considered in approving specific sales, beyond the technical issue of eligibility. Many of the policies and procedures relating to the sales program do not apply solely to the countries in the Persian Gulf, but apply to other areas as well. For example, major policies and guidelines which go into the decision to approve a specific sale and which apply across the board to all countries include the following:

- Sales are only made when they are consistent with the foreign policy of the United States.
- DoD sales proposals are made only in response to the foreign country's initiative.
- DoD sells only those items it believes the foreign country needs to meet valid military requirements.
- Wherever practicable, foreign countries are encouraged to purchase directly from United States commercial sources rather than from DoD.
- DoD discourages the purchase of items it believes the foreign country does not need or cannot afford.

In addition to these general criteria, there are some special considerations which apply to the Persian Gulf area. The United States has continuing strong security interests in the Middle East, including the maintenance of important defense facilities in the area, and the independence and security of Israel, Iran, Lebanon, Kuwait, Saudi Arabia, and Jordan. Our foreign policy and security interests relative to the smaller countries, such as Yemen, Bahrain, Oman, Qatar, and the countries comprising the United Arab Emirates, have also become important in recent years.

The stability of, and access to, the Persian Gulf area, with its tremendous oil reserve, is of

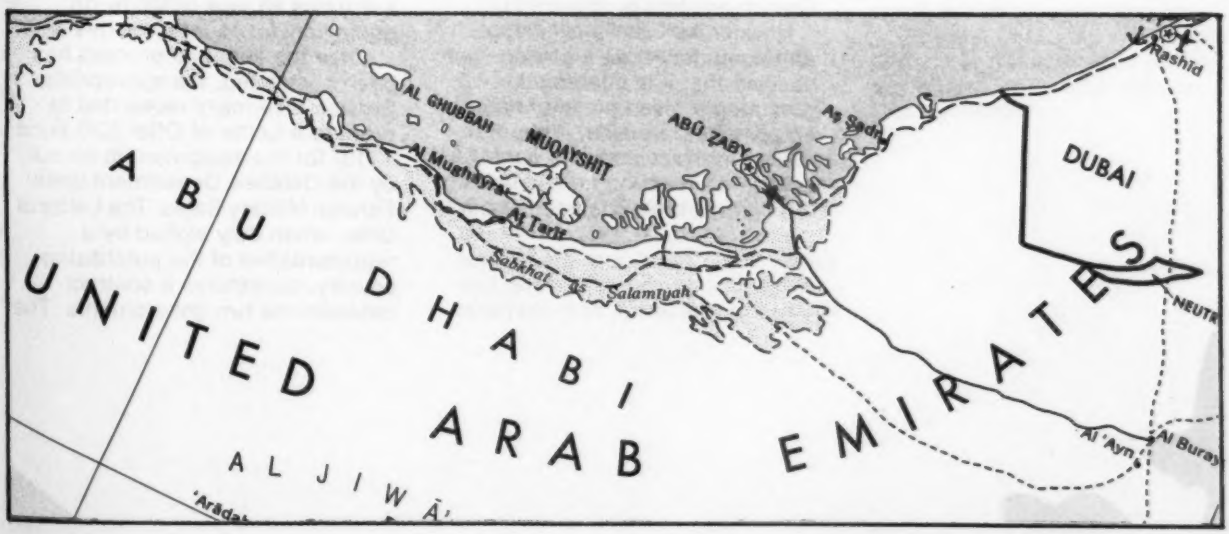
essential importance to the Free World. The Foreign Military Sales Program has become one of the key elements in maintaining U.S. security interests in this critical area.

With respect to Yemen and the other smaller countries on the Arabian peninsula, we consider security assistance primarily a regional matter and we have — quite successfully so far — been able to encourage other Middle East countries to participate in such regional cooperation.

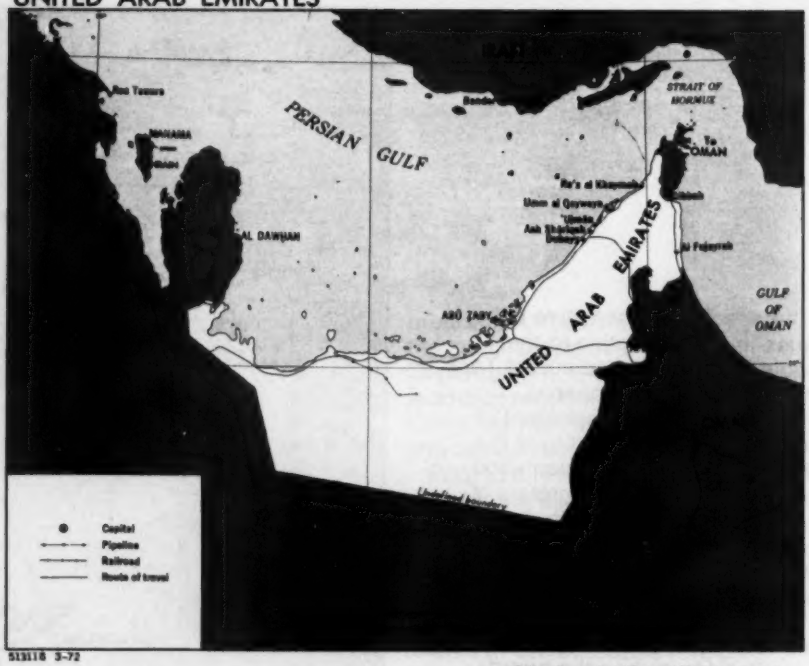
Prior to approval, each proposed Foreign Military Sale to the countries of the Persian Gulf area is weighed against a composite of the above policies and criteria. In view of the special and sensitive policy issues involved relative to the Middle East, the "Middle East Task Group (METG)" has been established in the Department of Defense. The membership of the METG consists of representation from the Office of the Secretary of Defense, National Security Agency, Joint Chiefs of Staff, Defense Intelligence Agency and the Army, Navy and Air Force.

The role of the METG is as follows:

- Provide across the board review and control of all significant DoD actions relating to the Middle East,
- Assess arms requests from selected Middle East countries and provide the Secretary of Defense a recommendation on how to respond to the request,



UNITED ARAB EMIRATES

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considering both military and political aspects,

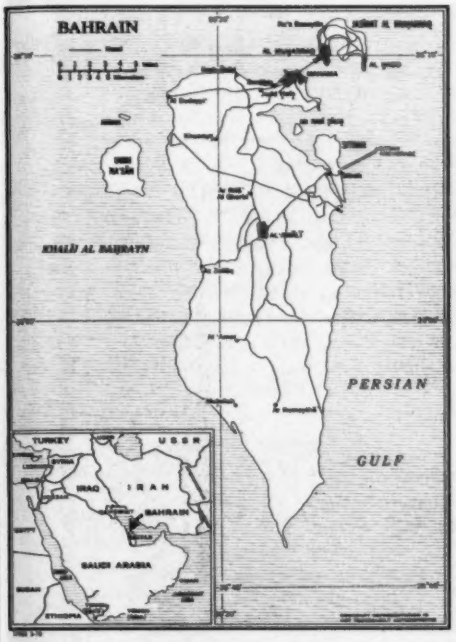
- Control DoD involvement in the Middle East situation,
- Monitor the Arab-Israeli arms balance.

The Defense position is then coordinated with the State Department which has conducted a similar review, and an Executive Branch position is obtained.

Now for the sales procedures and controls. When a country has decided that it is interested in procuring a given piece of defense equipment or service, it generally makes this fact known to our MAAG or Mission in-country. The MAAG or Mission will review this request with the country to insure that it has a valid requirement for the equipment. It will also determine the technical competence of the country to maintain and operate the equipment, and arrange for the necessary training programs when required.

After these factors have been considered and a valid requirement established, the MAAG or Mission will request either price and availability information for further consideration by the country or request a Letter of Offer (contract) for the equipment involved. When either the State Department or Defense Department receives this request, a further joint review is made to insure that the request is valid and consistent with United States policy. When a request for purchase of sensitive equipment is received from the Middle East, the request is referred to the Middle East Task Group (METG) which evaluates all new or follow-on equipment for countries in this area.

Once the approval process has been completed, the appropriate Service is formally requested to prepare a Letter of Offer (DD Form 1513) for the equipment to be sold by the Defense Department under Foreign Military Sales. The Letter of Offer, when duly signed by a representative of the purchasing country, constitutes a contract between the two governments. The




Letter of Offer stipulates the terms and conditions under which the sale is being made to third countries, along with other contractual conditions and explanatory notes.

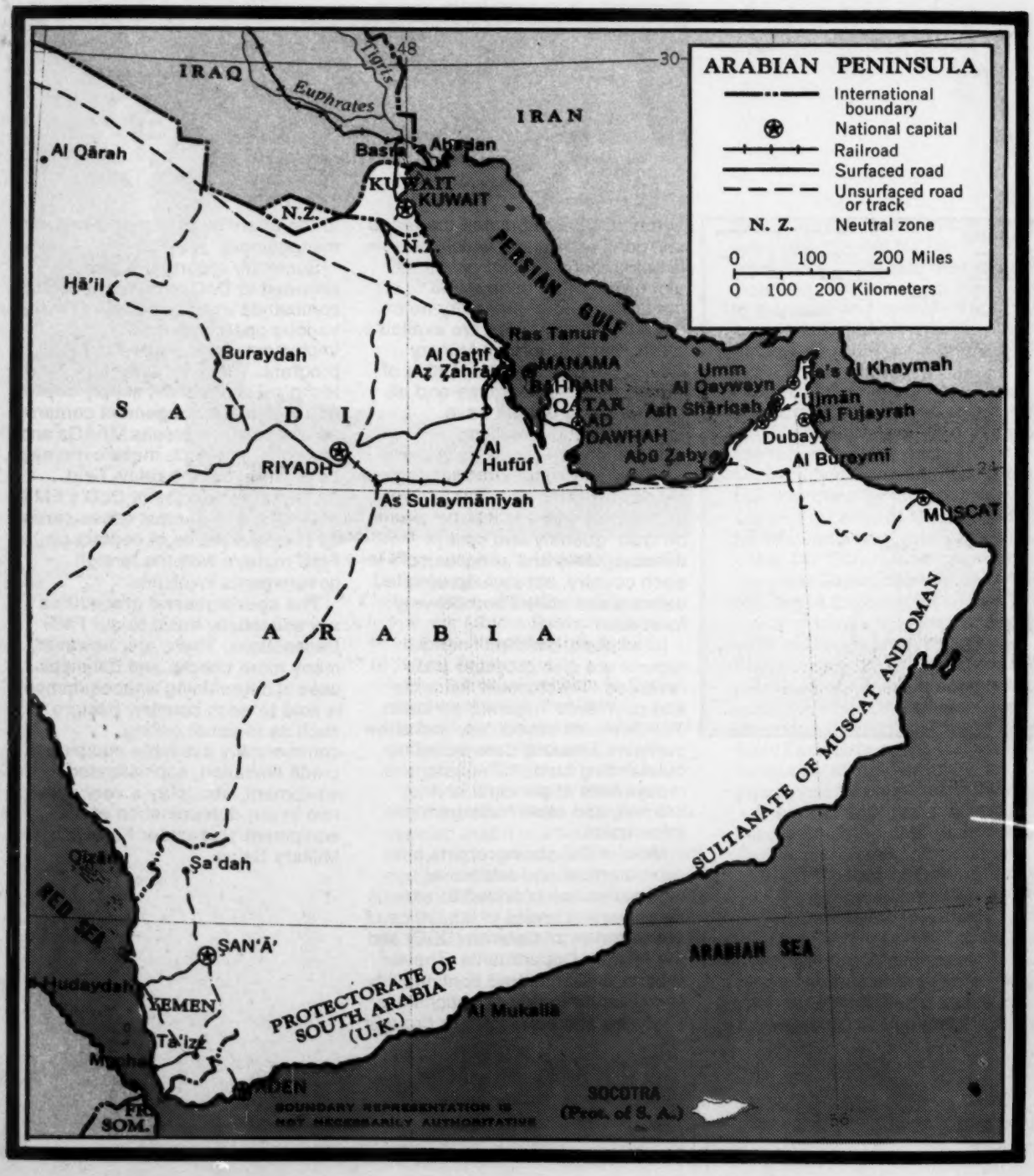
Various procedures are available for monitoring Foreign Military Sales. For example, the Office of the Secretary of Defense and all Military Departments have developed and installed comprehensive reporting systems which provide periodic management reports on sales activities. These include not only systematic reports on type, quantity and cost of defense items and services sold to each country, but include updated delivery and status and delivery forecasts.

In addition, detailed financial reports are also provided and reviewed. These cover amounts and payments involved, periodic disbursement scheduled, and show pertinent financial data including outstanding credit balances, repayments of principal and interest, and other management information.

Most of the above reports are computerized and additional summaries are provided to various management levels at the Office of the Secretary of Defense (OSD) and the Military Departments. These reports are monitored continuously and unusual trends or actions are analyzed and corrected, or brought to the attention of higher levels of management.

Summary reports are also provided to DoD field activities and commands which are involved in the various operations and implementations of the FMS program. These include the technical commands, supply depots and logistics management centers, as well as our overseas MAAGs and Missions. In effect, these overseas commands are the prime field monitoring agencies of DoD's FMS activities, and in most cases serve as principal points of contact on FMS matters with the foreign governments involved.

The above general procedures are essentially basic to our FMS transactions. There are, however, many more checks and balances used in determining what equipment is sold to each country. Factors such as regional ceiling, commercially available equipment, credit limitation, sophisticated equipment, etc., play a very active role in our determination of the equipment sold under Foreign Military Sales.

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